

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

AN EXAMINATION BY THE PUBLIC)	
SERVICE COMMISSION OF THE)	
APPLICATION OF THE FUEL ADJUST-)	
MENT CLAUSE OF CLARK)	CASE NO. 8596
RURAL ELECTRIC COOPERATIVE)	
CORPORATION FROM NOVEMBER 1,)	
1980, TO OCTOBER 31, 1982)	

O R D E R

Pursuant to 807 KAR 5:056, Sections 1(11) and (12), the Public Service Commission ("Commission") issued its Order on October 28, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of Clark Rural Electric Cooperative Corporation ("Clark") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge.

Clark filed all requested information, including its monthly fuel charges for the 2-year period under review. Following proper notice, a hearing was held on January 25, 1983.

The Commission approved a transfer (roll-in) of 3.11 mills per KWH to the base rates of Clark's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8588. Approval of East Kentucky's proposal requires that Clark also be authorized to roll in those same fuel costs to its base rates.

The Commission has reviewed the monthly fuel adjustment clause filing made by Clark in conjunction with the schedule of over- or under-recovered fuel costs filed in this proceeding. This review indicates that the Commission should revise the monthly fuel adjustment clause filing form to minimize errors.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Clark has complied in all material respects with the provisions of 807 KAR 5:056.

2. Clark's wholesale supplier has been authorized to transfer (roll in) to its base rates fuel costs of 3.11 mills per KWH in Case No. 8588.

3. Clark should be authorized to increase the rates charged its customers by 3.44 mills per KWH in order to transfer fuel costs rolled in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 8588 and applicable line loss, and this can best be accomplished by an energy adder to each KWH sold.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

5. The monthly fuel adjustment clause filing form currently being filed by Clark should be revised.

IT IS THEREFORE ORDERED that the charges collected by Clark through the fuel adjustment clause for the period November 1, 1980, through October 31, 1982, be and they hereby are approved.

IT IS FURTHER ORDERED that Clark be and it hereby is authorized to transfer to its base rates fuel costs transferred by its wholesale supplier pursuant to Case No. 8588.

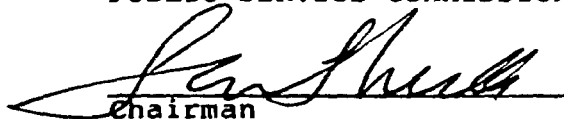
IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by Clark on and after June 1, 1983, which is also the effective date for East Kentucky's rates.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Clark shall file with the Commission its revised tariff sheets setting out the rates approved herein.

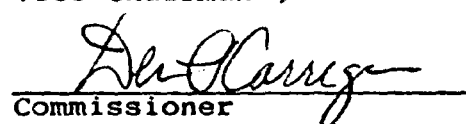
IT IS FURTHER ORDERED that the revised monthly fuel clause form in Appendix B shall be used by Clark for all filings made after the date of this Order pursuant to 807 KAR 5:056 to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 3rd day of June, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER TO THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8596 DATED JUNE 3, 1983

The following rates and charges are prescribed for the customers in the area served by Clark Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE R

FARM AND HOME SERVICE*

Rates:

First	25 KWH (Minimum Bill)	\$5.02	per month
Next	575 KWH per KWH	.07565	
Over	600 KWH per KWH	.06154	

Minimum Charge:

The minimum monthly charge shall be \$5.02.

SCHEDULE A & B
COMMERCIAL AND INDUSTRIAL LIGHTING AND POWER SERVICE*

Rates:

Demand Charge

First 10 KW of Billing Demand	No Charge
Over 10 KW of Billing Demand	\$5.02 Per KW

<u>Energy Charge</u>	<u>A</u> Less Than 10 KW Demand	<u>B</u> More Than 10 KW Demand
First 80 KWH (Min. Bill)	\$11.16	\$10.75
Next 20 KWH per KWH	.13697	.13172
Next 900 KWH per KWH	.08165	.07831
Next 1,000 KWH per KWH	.07431	.07121
Over 2,000 KWH per KWH	.06718	.06431

Minimum Monthly Charge:

The minimum monthly charge shall be \$11.16 single-phase service and \$32.25 for three-phase service.

Minimum Annual Charge for Seasonal Service:

Consumers requiring service only during certain seasons of the year shall be billed under the above schedule plus 25 percent and the minimum monthly charge shall not apply. There shall be a minimum annual charge sufficient to assure adequate compensation for the facilities installed to serve the consumer, but in no case, less than \$133.92 per year for single-phase service and \$387.00 per year for three-phase service nor less than \$60.24 per kilowatt of maximum demand established during the year.

SCHEDULE E
SERVICE TO SCHOOLS, CHURCHES, AND COMMUNITY HALLS*

RATES:

First	25 KWH (Minimum Bill)	\$5.09 per month
Next	975 KWH per KWH	.08575 per KWH
Over	1,000 KWH per KWH	.06757 per KWH

Minimum Charge:

The minimum monthly charge shall be \$5.09.

SCHEDULE SL-3
STREET LIGHTING SERVICE*

Base Rate Per Lamp Per Year:

<u>Lamp Size</u>	<u>Bare Lamp With Reflector</u>	<u>Luminaire With Bracket Attachment to Wooden Pole</u>
100 Watt-Incandescent	\$ 42.18	\$
150 Watt-Incandescent	50.14	
200 Watt-Incandescent	59.15	64.48
300 Watt-Incandescent		83.66
175 Watt-Mercury Vapor		63.85
400 Watt-Mercury Vapor		126.12

SCHEDULE L
LARGE POWER SERVICE*

Rates:

Demand Charge

First 50 KW or less of Billing Demand	\$251.00
Over 50 KW of Billing Demand	5.02 /KW

Energy Charge

First 50 KWH of Billing Demand	.06391 Per KWH
Next 100 KWH of Billing Demand	.0517 Per KWH
All Remaining KWH of Billing Demand	.04545 Per KWH

Minimum Monthly Charge:

The minimum monthly charge shall be the highest one of the following charges as determined for the consumer in question:

1. The minimum monthly charge specified in the contract for service.
2. The demand charge.
3. A charge of \$251.00.

SCHEDULE P*

Rates:

Demand Charge

First 500 KW or less of Billing Demand for	\$2,510.00 Per Month
Over 500 KW of Billing Demand	5.02 Per KW

Energy Charge

First	3,500 KWH	\$.05921 Per KWH
Next	6,500 KWH	.04952 Per KWH
Next	140,000 KWH	.04463 Per KWH
Next	200,000 KWH	.04165 Per KWH
Next	400,000 KWH	.04069 Per KWH
Next	550,000 KWH	.03945 Per KWH
Over	1,300,000 KWH	.03772 Per KWH

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the highest one of the following charges as determined for the consumer in question:

1. The minimum monthly charge specified in the contract for service.
2. The demand charge.
3. A charge of \$2,510.00.

OUTDOOR LIGHTING -SECURITY LIGHTS*

Rate Per Light Per Month:

Mercury Vapor Lamp	175 Watt	\$5.84 Per Month
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*Fuel Adjustment Charge

The above rate may be increased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses.

The rates and charges in this Appendix incorporate the rates and charges granted in Case No. 8575.

COMPANY: _____

MONTHLY FUEL ADJUSTMENT CLAUSE (FAC) Report

Appendix B
Page 1 of 3

POWER SUPPLIER: _____

Disposition of Energy (KWH) - Month of: _____

1. Total Purchases	_____	Purchased Power -	_____	Month of: _____
2. Sales (Ultimate Consumer)	_____	13. Fuel Adjustment Charge (Credit):	_____	
3. Company Use	_____	A. Billed by supplier	_____	
4. Total Sales (L2 + L3)	_____	B. (Over) Under Recovery (L12)	_____	
5. Line Loss & Unaccounted for (L1 less L4)	_____	C. Unrecoverable - Schedule 2	_____	
		D. Recoverable Fuel Cost (L13 A+B-C)	_____	
(Over) or Under Recovery - Month of: _____		14. Number of KWH Purchased	_____	
6. Last FAC Rate Billed Consumers	_____	15. Supplier's FAC:	_____	
		\$ per KWH (L13A + 14)	_____	
7. Gross KWH Billed at the Rate on L6	_____	Line Loss	_____	
8. Adjustments to Billing (KWH)	_____	16. Last 12 Months Actual (%) -	_____	
9. Net KWH Billed at the Rate on L6 (L7 + L8)	_____	17. Last Month Used to Compute L16	_____	
10. Fuel Charge (Credit) Used to Compute L6	_____	18. Line Loss for Month on L17 (%)	_____	
11. FAC Revenue (Refund) Resulting from L6 (net of billing adj.)	_____	19. Calculation of FAC Billed Consumers (100% less percentage of Purchases Recovery Rate \$ per KWH (L13D + L14)	_____	
12. Total (Over) or Under Recovery (L10 less L11)	_____	20. FAC \$ per KWH (L20 + L19)	_____	
		21. FAC \$ per KWH (L21 x 100)	_____	
		22. FAC \$ per KWH (L21 x 100)	_____	

Line 22 reflects a Fuel Adjustment Charge (Credit) of _____ \$ per KWH to be applied to bills rendered on and after _____, 19____.

Issued by: _____, 19____. Issued on: _____, 19____.

Address: _____ Title: _____, 19____.

Telephone: _____

SCHEDULE 1
TWELVE MONTH ACTUAL LINE LOSS
FOR FUEL ADJUSTMENT CHARGE COMPUTATION
FOR _____, 198__

	(a) <u>KWH PURCHASED</u>	(b) <u>KWH SOLD</u>	(c) <u>OFFICE USE</u>	(d) <u>KWH LOSSES</u>
Previous twelve months total -				
Less: Prior year-current month total -				
Plus: Current year-current month total -				
Most Recent Twelve Month Total -				

(d) _____ ÷ (a) _____ = _____ Enter on line 16 of the current month's
(FAC) Report

SCHEDULE 2
CALCULATION OF UNRECOVERABLE FUEL COST
DUE TO EXCESSIVE LINE LOSS
FOR THE MONTH ENDED

1. Purchases For the Month (KWH) _____
2. Less Line Loss (10% x L1) _____
3. Sales (L1 less L2) _____
4. Unrecoverable Fuel Charge Per KWH:
 - a. FAC Rate based on Actual Line Loss
(Current Month's Report L15 ÷ (100% Less L16) \$ _____
 - b. FAC Rate based on 10% Line Loss
(Current Month's Report L15 ÷ 90%) _____
 - c. Increment unrecoverable \$ _____
5. Unrecoverable Fuel Cost - (L4c x L3 enter on Line
13c of current month's FAC report) \$ _____

Note: This schedule is to be filed for each month that the 12 month actual Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.